

**Social Security Advisory Board
May Board meeting
May 29, 2015**

Meeting with Office of Retirement and Disability Policy (ORDP), SSA

Background. After introductions, SSA representatives from ORDP provided background on the rep payee program. A person or an organization can act as a rep payee if the beneficiary is under age 18 or is an adult who is found “legally incompetent” (determined by courts) or is “incapable” (determined by SSA) of managing his/her own benefits. Most rep payees are family members of the beneficiary – most commonly a spouse or parent. Examples of organizational payees include state or local government institutions and fee-for-service (FFS) organizations. FFS organizations may charge a fee of to the lesser of 10% of a person’s benefits or \$40 per month (\$77 under limited circumstances). SSA staff (claims representatives or service representatives) interview potential rep payees prior to allowing them to work in that capacity. In disability applications where the competency of a claimant is unclear, a Disability Determination Service (DDS) can refer claims to the field office to investigate.

Per the Social Security Act, SSA is required to conduct periodic site reviews of all:

- Individual payees serving 15 or more beneficiaries;
- Organizational payees serving 50 or more beneficiaries;
- FFS payees; and
- State mental hospitals who participate in the on-site review program.

The frequency in which these “periodic” reviews are to be carried out is not specifically defined in the Act; Mr. Ice explained that the agency defines it as every 3-4 years. Site reviews involve two steps – an audit (financial review) and interview with payee(s) and beneficiary(ies). The interview is intended to check whether or not the payee is meeting the needs of the beneficiary(ies).

In addition to mandated periodic reviews, SSA also conducts discretionary reviews. These reviews are used for payees with less than 50 beneficiaries and are based on a predictive model developed by SSA’s Office of Quality Improvement (OQI). The predictive model is a statistical model intended to detect payees that have the highest likelihood of benefit misuse.

Current Initiatives. Initiatives are currently underway at SSA in the following three areas:

- 1) Assessing Payee Capability
- 2) The Payee Selection Process

3) The Monitoring Process

SSA representatives noted that the monitoring process is where most of their energy is being directed when it comes to potential improvements for the program. Some of the specific initiatives highlighted at the meeting included:

- An Institute of Medicine (IOM) study – compares SSA’s capability determination process to those of similar benefit programs and recommend improvements
- Attorney Pro-Bono Pilots in MD and Chicago – goal is to have pre-approved lists of reliable payees ready to assist beneficiaries
- Expand Criminal Bar Policy – to include individuals who head organizational payees and those who handle money on behalf of these payees

A recent study published by the Administrative Conference of the United States (ACUS) in January was also discussed. Mr. Ice provided some background of the report, which focused on adult guardianship laws and involved a survey of state personnel and guardians. Some of the initial survey findings were highlighted: 1) about 75% of all guardians are family, friends, or acquaintances of the incapacitated beneficiary, and 2) around 40% of those surveyed indicated criminal background reports are not required of prospective non-professional (“friends/family”) guardians of estate.

In addition, the Board discussed persons with felony criminal backgrounds not being able to be a representative payee for a beneficiary. There are a list of twelve felonies that would disqualify them from being a rep payee. ORDOP will supply the Board with a folder with the twelve felonies listed at a later date. They also discussed making home visits to rep payees and the process for choosing a rep payee for a disabled or special needs person. Currently, there are no special qualifications to be a rep payee. The emphasis is now being placed on monitoring rep payees, and how the monitoring program needs to be changed. Offices usually have a cadre that monitors rep payees.

Morning Executive Session

Representative Payees. After the presentation from ORDOP, the Board members discussed what they wanted to do with the topic of rep payees. All members agreed that this is a big issue that would need a lot of money to fix in its present form. It was suggested that there has to be a better way to fix this problem, possibly by rethinking the entire system and way things are being done in the agency. It was reiterated that there needs to be a focus on this problem. It was acknowledged by Board members that many of the field offices have competing workloads. One Board member suggested matching representatives and payees based on the type of disability. One member suggested contracting the work to someone else who can do it more efficiently.

Another member then suggested that the Board themselves cannot solve this problem but that the next step is for SSAB staff to write a project description. A Board member suggested that the project should focus on designing the framework that will function well and let others determine the cost.

Meeting with Patricia Potrzebowski, National Association of Public Health Statistics and Information Systems, NAPHSIS

Background on NAPHSIS. NAPHSIS was established in 1933 as a professional vital records organization to protect individual identity and public health. Vital records mark vital events in the state that the event occurred. Due to the different state vital records statutes, death records are public in some states while kept private for 20 to 50 years in other states.

Vital records. Vital records are official records of birth, death, marriage and divorce collected by registrars in states. Vital records offices issue certified copies of death records. They provide accurate information on deaths.

Death records. Death certificates are used for benefit payments, medical research and as a source of public health data. All death is reported in the National Death Index (NDI). There is a process of approval for receiving death records from NDI. Death records from NDI are only used for medical research. Statistical data that National Center for Health Statistics (NCHS) receives does not have identifying information.

Electronic Death Registration System (EDRS). EDRS is a system used for death registration in which data is submitted electronically and verified by state vital records offices. Currently, 45 states have it place, four are in the developing stage, and three states have not taken any action. Although most of the states have the EDRS in place, not all death records in these states are reported electronically. This system is more secure because data providers--which include funeral directors and physicians--must login to the system in order to provide death information. Ms. Potrzebowski said that the problem is the lack of adequate resources. New systems are needed; however, they are expensive. Systems become obsolete within 10 years as coding changes and have to be updated. In most states, vital records offices have been partially or fully defunded and are dependent on the fees collected.

Electronic Verification of Vital Events (EVVE). EVVE is a hub system that allows customers to verify and certify death information. Government agencies use this system to verify data. Current users of EVVE include SSA, OPM, and Homeland Security. EVVE allows data to be verified in an efficient manner. It is currently available in 54 of the 57 jurisdictions.

Resources. Ms. Potrzebowski explained how NAPHSIS is a very small organization that does not have much resources available to them. NAPHSIS is going to be partnering with LexisNexis.

Currently, NAPHSIS exchanges data within states, however, it would like to be able to exchange data out of the states. Ms. Portzebowski stated that states want to control who is going to access their data. States would be more comfortable if they are aware of who has access. From 2002 to 2011, SSA placed data on the public DMF that should not have been made public. A staff member mentioned that the public DMF had to be released due to FOIA. Ms. Portzebowski commented on the fact that the DMF does not belong to SSA.

Proposal. Ms. Portzebowski explained that SSA has provided some funding for EVVE in the past, suggesting that continued SSA funding would be beneficial to moving to a full electronic process. She stated that she would like anyone trying to make legislative changes to hold off. Board members agreed that a brief report will be drafted.

Meeting with Budget, Finance, Quality and Management (BFQM), SSA

FY 2014 Recap. SSA lost eleven thousand employees between FY 2011 and 2013. However, in FY 2014, SSA restored some service by replacing 5200 of its previous staffing. CDRs increased from 300,000 to 526,000. SSA also opened to more CDI units, improved their website, and resumed mailing the *Statement* to beneficiaries every 5 years.

Budget FY 2015. The FY 2015 budget provides funding for an increase in field office hours, more ALJs to reduce the hearings backlog, and more cost-saving CDRs. Mr. Perzan discussed field office staff at replacement rate. He also explained that it was felt that the DDS was over-staffed and that is why there has been a 1 to 2 replacement rate. However, there will be an additional 200 hires for DDSs. Mr. Perzan stated that the hearings backlog went down (because of hiring) and then up (because of the hiring freeze) and could continue as SSA still needs to hire more ALJs.

President's Budget FY 2016. The President's FY 2016 budget would allow the agency to build on its current progress. It would allow the agency to increase service to the public, improve efforts to combat fraud, waste and abuse, and allow for investments in technology and initiatives to improve quality. Mr. Perzan stated that 64 field offices have been closed since 2010. Ms. King explained that the Office of Budget doesn't assume closure of field offices in 2015 or 2016.

Increased Service. SSA projects that they will continue to handle high volumes of initial disability claims with a stable processing time. High volumes of hearings will be handled with an increase in ALJs. They estimate that the FY 2016 budget will decrease wait times as well as busy rates on the national 800 number. Although productivity varies across the country, there has been a decrease in the 800 number busy rate from 11% to 8%. A significant increase in CDRs is also expected which will save billions of dollars. Mr. Perzan also discussed that there have been

fewer SSI redeterminations. However, the agency will work to handle high levels of redeterminations.

Field Offices. Mr. Perzan stated that work is being done to direct traffic away from field offices. They have started directing internet claims to workload support groups as opposed to field offices. In some cases, video service delivery has been the best option. In discussing the increased number of staff in field offices, Ms. King stated that it requires four months of training, but it then takes close to two years to become proficient.

Sequestration. Mr. Perzan also discussed the expectation of sequestration. He stated that they will look to see if they will continue to send Social Security statements at the current rate. Mr. Perzan assumed an 8% cut if sequestration is in effect. SSA's service deterioration in FY 2011-2013 was due to decreased funding. Depending on the funding from Congress, there is a possibility of a hiring freeze and limiting overtime in FY 2016. The inability to replace losses in field offices will increase wait times adding to the hearings backlog. A return to sequestration will interrupt the progress being made and affect service for several years.

Office of Anti-Fraud Programs. Ms. King discussed the new Office of Anti-Fraud Programs (OAFP) created by the Commissioner to consolidate SSA's anti-fraud efforts into a single office. The OAFP is located within the Office of Budget, Finance, Quality, and Management. Since the office was established in November 2014, Ms. King has been working on defining new positions, finding people to work in the office, and finding office space. New employees have come from other parts of SSA and the OAFP is working closely with the OIG. The action taken by this office is assumed to save millions of dollars. So far, OAFP has hired 18 employees, has about 13 details, and plans to have 60 employees by the end of 2015. About 500 SSA employees applied for openings in OAFP—many with backgrounds in fraud-detection at the agency.

Difference from OIG. Mr. Tortora discussed the difference between the OIG and OAFP. The OAFP will handle more cases and have more resources than the OIG. The OAFP will do more preventative work to stop fraud before it happens and will prepare cases for the OIG to prosecute. The OIG only does large cases—over \$250,000 in New York. The OAFP will be looking for signs of fraud and cutting of benefit payments as soon as it is detected. They will be monitoring electronic transactions, using data analytics, and looking for signs of fraud preventatively. They follow up with beneficiaries when fraud is suspected. OAFP refers cases for administrative sanctions although prevention will be its main focus.

Suspending benefits. So far OAFP is only suspending benefits when fraud is almost certain. It plans to eventually widen its scope which could lead to payment delay for actual beneficiaries. It will attempt to mitigate this by confirming activity with beneficiaries prior to taking this step.

Fraud prediction. OAFP uses a model to predict fraudulent activity. Ms. King stated that OQP uses a model for representative payee fraud and that OAFP has another model. She suggested setting up a conference call with Dan Zabronsky, who created OQP's model, to discuss how the model was developed.

Unified anti-fraud efforts. Mr. Tortora stated that OAFP is quickly becoming the main source of anti-fraud knowledge in the agency. They are helping other components detect fraud and implement best practices. Prior to its creation, a study was performed that predicted SSA's anti-fraud efforts would be more effective with a consolidated office.

Return on investment. OAFP is still working on developing measures for its return-on-investment. Cost-saving efforts are difficult to measure because much of it is prevention and it is difficult to measure whether fraud moves to other areas or deters further fraud. OAFP is working with other benefit-paying agencies to learn best practices and determine how to measure results.

Afternoon Executive Session

SSI Paper. The deadline is not under the Board's control but what goes in it is under the Board's control. The SSI program is not meeting expectations. In-Kind Support and Maintenance (ISM) is only applied to about 9% of SSI beneficiaries. There are two types of ISM: outside ISM (any help coming in from outside the household) and inside ISM (any help from within the household). It is difficult to put an amount on the support being received, but the agency needs to track everything beneficiaries receive and put a rough value on it. At the same time, the Board believes that the agency should not ask intrusive questions or use agency resources for something that has very little gain. A Board member suggested considering alternatives to current practices. For example, CDRs are more cost effective. The Board was urged to provide comments on the SSI simplification paper. The final SSI simplification paper target size is 5,000 words or less.

WEP/GPO. The Board discussed ways to reduce the complexity of the report. This is an opportunity to get the issue right, and the issue should not be postponed. Board members were asked to give comments back as the paper is almost ready to be finished.

SDM. The report is short and close to being finished. The problem is that the agency has been studying SDM for 15 years and there are still not enough answers or information on SDM for the Board to give a recommendation. The report needs Board approval.

ALJ Model Rules. The Board discussed the ALJ model rules. It was stated that perhaps current ALJ procedures are the obstruction that prevents cases from moving along. It was mentioned that the ALJ Union wants stricter rules to move cases along. The Board discussed bringing in people

who are familiar with the rules to speak with Board members so they have a clearer picture of the ALJ model rules and existing regulations.

Tech Panel. There will be one more tech panel meeting on June 19th. Currently, the tech panel members are drafting a report. They will send it to an editor in mid-July, it will come back for production in August, and will be presented to the Board in September.